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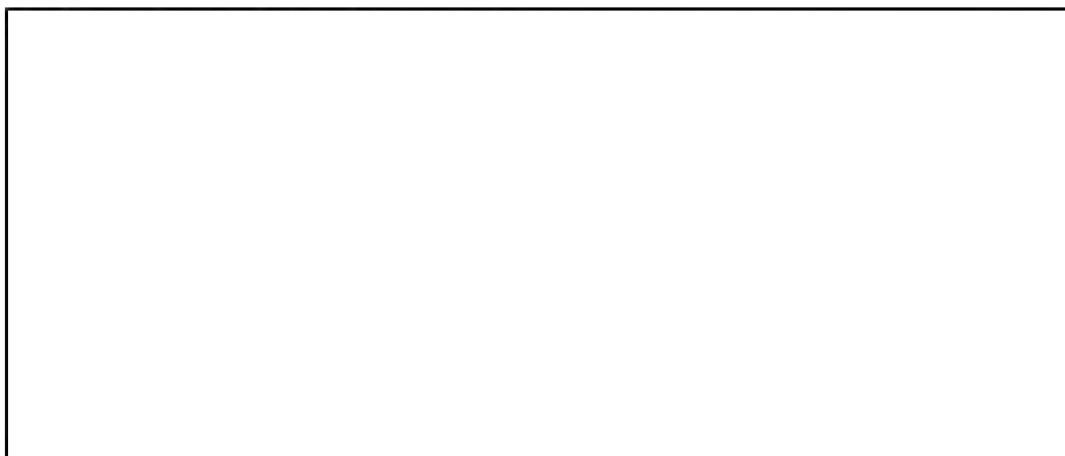
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PORTUGAL

The removal of Vasco Goncalves from the Portuguese leadership leaves the armed forces divided into opposing factions, but may improve Admiral Azevedo's chances of forming a new government. There has been no public reaction from the rival factions.

A communique issued after a rump session of the Armed Forces General Assembly last night said Goncalves had "declined" the post of chief of staff of the armed forces. It is clear, however, that he was forced out by anti-Communist officers in the army and air force. Goncalves and three of his closest supporters also were purged from the Revolutionary Council, which has apparently regained most of its former power as Portugal's dominant policy-making body.



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Goncalves' removal may have been part of yet another attempt by the President to arrange a compromise that would not make any faction the complete winner or loser. In addition to the pro-Communist officers purged from the Revolutionary Council, Commander Vitor Crespo, a loyal supporter of Major Melo Antunes, also was dropped.

The list of the revamped council also fails to include Antunes and Major Vitor Alves, leaders of the anti-Goncalves drive. The assembly's communique said the council would have to decide later whether Antunes and Alves, along with Goncalves' labor minister Costa Martins, would be asked to rejoin its membership.

Separate lists for the revised council apparently were drawn up by the individual service assemblies earlier this week. The members, all previously on the council, reflect the predominant political leanings of the services they represent. The anti-Communist faction generally associated with Antunes appears to have a majority, although that could be changed by the switch of only a few votes.

This apparent effort at compromise may defuse a situation that had moved dangerously close to a violent confrontation, although there has been no indication of how either the Antunes or Goncalves factions are reacting to the announced changes. General Carvalho was quoted as saying after the meeting yesterday that it contributed nothing to restoring unity or tranquility in Portugal.

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The principal demand of the Antunes group and the democratic political parties—the ouster of Goncalves—was met, however, and Prime Minister - designate Azevedo may now receive greater cooperation in forming a government. Socialist leader Soares' demands for an election and a separation of civilian and military responsibilities, together with his strong criticism of the Communist Party, will pose problems, however, if Azevedo continues to press for a government that includes the Socialists, Communists, and Popular Democrats.

With yesterday's decisions failing to resolve decisively the factional power struggle, there also remains the possibility of the rightist forces of former president Spinoza playing the spoiler role.

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CHINA

Peking may be speaking with two voices on the scope and content of the new campaign to criticize the ancient novel "Water Margin." A *People's Daily* editorial of September 4, published 12 days after the campaign began, appears to take a more limited view of the campaign than that expressed in the earlier articles.

Using a new quotation from Chairman Mao, the editorial stated that Mao had initiated the campaign. This tardy reference to the Chairman as the originator seems aimed at negating the idea that the campaign is aimed at him. The novel's leading figure has been attacked for failing to oppose the "emperor," a reference that is almost certain to be read by the Chinese populace as an attack on Mao. The earlier articles, beginning on August 23, did not credit the Chairman with launching the campaign.

The editorial appears to differ in several other respects from the earlier material. While the other articles promote continuing revolutionary struggle, the editorial makes a strong bid for unity. It also relegates the campaign to a "discussion" movement, noting that study of the novel will have a significant impact on literary criticism, history, philosophy, and education. The latter comment seems to dilute the campaign's potential as a political attack on current leaders.

The editorial makes it clear that policy toward the Soviet Union is an issue in the campaign. This aspect is probably the most important in Mao's view. The Mao quotation dubs the novel an important description of "capitulationism," and the editorial pointedly notes that disgraced Chinese leaders Liu Shao-chi and Lin Piao capitulated to the Soviet Union. The former leaders are linked with the novel's leading figure, also attacked as a "capitulationist."

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An article by Liang Hsiao, apparently a pseudonym for a prominent Chinese official, was released in English by the official news agency on September 2 and deals specifically with the problem of the Soviet Union. Although it does not mention the current campaign, its release at this time—it first appeared in the August issue of the party theoretical journal *Red Flag*—suggests that Peking is trying to draw the attention of the outside world to the Soviet question and to play down the possible explosive domestic implications of the current campaign.

Taken together, the Liang Hsiao article and the new *People's Daily* editorial seem to be an effort to focus the campaign on the issue of "standing up to the

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Soviets"—perhaps in order to isolate those who advocate a less contentious policy toward Moscow. The earlier *People's Daily* commentary with its clarion call to criticize the "emperor" could have been an attempt to line up support for a coming struggle with Mao on the Soviet and other issues. In particular, the earlier commentary could be an attempt to rally elements within the military who—as suggested by last year's propaganda—are most critical of current Chinese policy toward the Soviet Union. If so, the new campaign has potential for considerable conflict within the leadership. This seems to be tacitly acknowledged by the *People's Daily* editorial, which, in contrast to other articles in the campaign, appears to be trying to establish strict boundaries for the movement.

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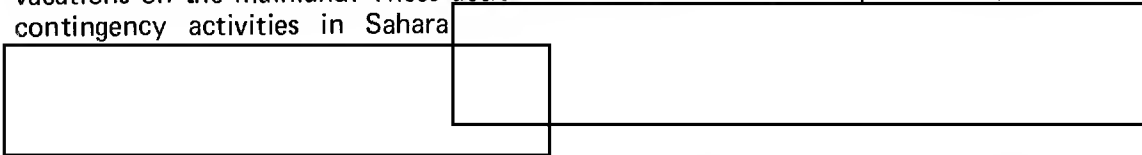
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SPAIN - SPANISH SAHARA

Madrid is making some preparations for withdrawing from Spanish Sahara but is unlikely to pull out precipitously. Spain will probably wait for the opinion of the International Court of Justice on the Moroccan claim to the territory, expected next month, rather than pull out suddenly and leave a power vacuum in the Sahara. It does not want to become engaged in a colonial war, however, and may pull out before the parties involved reach a settlement among themselves.

Some school teachers, medical personnel, and skilled as well as semiprofessional workers reportedly are migrating or have decided not to return from summer vacations on the mainland. These actions are believed to be in response to Spanish contingency activities in Sahara



The Algerian-supported Polisario Front, a heretofore anti-Spanish liberation guerrilla movement, has ceased its terrorist activities against the territorial government and may have agreed to cooperate in maintaining law and order. This reversal indicates that the movement is convinced of Franco's intent to withdraw soon, possibly by early 1976.



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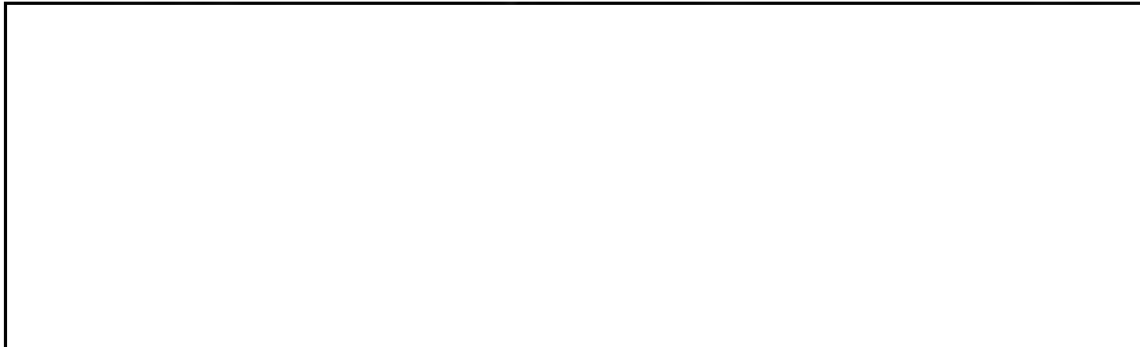
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FOR THE RECORD



SUDAN: The short-lived coup attempt of September 5 by a small group of dissidents failed because the plotters were not able to gain significant military support. In a public statement, President Numayri has assured the people that security will be maintained. The Sudanese leader can be expected to take harsh measures against the plotters and increase internal security measures throughout the country. Meanwhile, the capital remains calm.



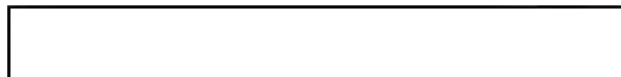
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